A Proposed Business Model Innovation Using Blue Ocean Strategy Approach for Kiumarket in The Post-Pandemic Era

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ABSTRACT: Kiumarket, a local brand in the home fragrance industry, encountered significant challenges in the evolving post-pandemic market landscape. Known for its diverse range of aromatic products, including scented candles, diffusers, and sprays, Kiumarket faced declining sales due to a shift in consumer habits, as people began spending less time at home. The market also saw an influx of new competitors, leading to increased competition and necessitating a strategic reevaluation of Kiumarket’s product offerings and pricing strategies. Furthermore, changing consumer preferences towards specific scents and qualities demanded a more targeted approach to Kiumarket’s product range. The research aimed to address these challenges by exploring effective strategies that would enable Kiumarket to adapt and secure a sustainable competitive advantage. The primary focus was on assessing the effectiveness of a new business model strategy for distinctive positioning in the market, the transformative role of innovative market creation and differentiation in enhancing Kiumarket’s value proposition, and the impact of such strategies on the brand’s market penetration, profitability, and long-term viability. Drawing on the Blue Ocean Strategy framework, the research delved into the current competitive scenarios using analytical tools like Porter’s Five Forces and the Business Model Canvas. This comprehensive approach helped in understanding the intricate market dynamics, competitor behaviors, and dominant value propositions. The Strategy Canvas was pivotal in analyzing the market landscape, identifying competitive factors, and uncovering potential differentiation opportunities. Innovative thinking was encouraged through the application of the Four Actions Framework and the ERRC Grid, focusing on reconstructing market value and strategy. A variety of research methods were utilized, including in-depth industry reports analysis, surveys, interviews, and focus group discussions. Tools such as SPSS ensured the accuracy and reliability of the data analysis. The study also incorporated Blue Ocean Strategy instruments like the Buyer Utility Map and the Three Tiers of Noncustomers, enabling a deep exploration of new market opportunities and insights into buyer personas. The findings of the research underscored the necessity for Kiumarket to differentiate its products, maintain consistent quality, and enhance customer satisfaction. It suggested that a strategic overhaul of the product line, coupled with competitive pricing and a strong focus on customer engagement, would be crucial. Additionally, targeting non-customers and innovating in product offerings emerged as vital strategies to tap into new market segments.


1.1 INTRODUCTION
In recent years, the home fragrance industry has navigated a turbulent landscape, marked by rapid changes and unforeseen challenges, particularly in the wake of the COVID-19 pandemic. Kiumarket, a prominent player in this sector, epitomizes the trials and adaptations necessary for survival and growth during these tumultuous times. This research comprehensively explores the strategic dilemmas and innovative responses that have shaped Kiumarket's journey through the post-pandemic era. The unexpected onset of the COVID-19 pandemic initially catalyzed a surge in the home fragrance market. With more individuals confined to their homes, there was a heightened demand for products that enhanced the home environment, leading to a temporary boom in sales for companies like Kiumarket. However, this growth proved to be a double-edged sword. As the world gradually shifted towards a new normal, with lockdowns lifting and people resuming outdoor activities, Kiumarket witnessed a significant downturn in its sales. This decline was not merely a consequence of changing consumer behaviors but also reflected the intensifying competition within the industry.

The core of this research lies in unraveling the intricate web of evolving customer preferences and the increasingly saturated market that Kiumarket faces. It delves into how these preferences have shifted in the post-pandemic landscape, necessitating a reevaluation
and realignment of Kiumarket's product portfolio. Additionally, the study examines the challenges of pricing strategies in an environment where consumer spending habits are in flux and competition is more fierce than ever. Through this case study, the research aims to provide a nuanced understanding of the strategic recalibrations required to navigate the post-pandemic market realities. It explores how Kiumarket, amidst these challenges, has sought to innovate and adapt, not only to sustain its business but to forge a path toward growth and market leadership. This exploration serves as a microcosm of the broader dynamics at play in the home fragrance industry and offers valuable insights into strategic management in a rapidly evolving business landscape.

1.2 BUSINESS ISSUE EXPLORATION
Kiumarket, an established brand in the home fragrance industry, faced notable challenges following the pandemic. Firstly, a decline in home fragrance purchases was observed as people began spending more time outside. Secondly, the entrance of numerous companies into the market created a crowded and competitive landscape. Additionally, shifting customer preferences forced Kiumarket to modify its products, while also maintaining the unique characteristics of its brand. The influx of new companies also introduced a difficult puzzle in determining the right pricing strategy. Furthermore, customers began to exhibit selective preferences towards specific scents and qualities, demanding a more targeted product selection. Instead of competing in an oversaturated market, the strategy for Kiumarket centres on identifying and cultivating a new, untapped niche. This involves a thoughtful overhaul of their product portfolio to more closely align with consumer trends and preferences, coupled with a strategic pricing model designed for affordability without sacrificing competitiveness. Moreover, the overall strategy will be realigned to prioritize customer engagement and retention, fostering a sustainable competitive advantage. These concerted efforts, grounded in strategic innovation and market adaptability, are not only aimed at securing a trajectory of consistent growth but also at establishing Kiumarket's enduring success within the dynamic home fragrance market, ensuring its resilience and relevance in an ever-evolving industry landscape.

2.1 CONCEPTUAL FRAMEWORK
In the ever-evolving landscape of the Home Fragrance Industry, adopting innovative strategies is crucial for businesses seeking to stand out and thrive. The research presented here introduces a comprehensive conceptual framework, as depicted in Figure 30 on the next page, which integrates the principles of the Blue Ocean Strategy with in-depth market analysis tools. This framework is designed not only to understand the current market dynamics but also to identify and capitalize on new opportunities, allowing businesses to navigate and succeed in a post-pandemic world.
The conceptual framework for applying the Blue Ocean Strategy in the Home Fragrance Industry, as illustrated in the Figure 1, outlines a systematic approach for navigating market challenges and uncovering new opportunities. Initially, it involves a thorough analysis of the current market using analytical tools like Porter’s Five Forces and the Business Model Canvas to understand competitor behavior, market dynamics, and prevailing value propositions. The next phase focuses on a detailed examination of the market landscape through the Strategy Canvas, assessing how competitors position themselves and identifying areas for potential differentiation and untapped market opportunities. The framework incorporates the Buyer Utility Map and the Three Tiers of Noncustomers to reveal new ways of delivering value and to identify overlooked customer segments. Subsequently, the framework suggests rethinking market value and strategy, employing tools like the Four Actions Framework and the ERRC Grid to foster innovative thinking and develop unique value propositions. It then proposes using the Price Corridor of The Mass for effective pricing and the Sequence of Creating A Blue Ocean to prioritize steps in developing a new market strategy. The culmination of this process is the formulation of a Blue Ocean Strategy tailored for the post-pandemic era, integrating this strategy with a New Business Model Canvas to align all business model aspects. The final stage emphasizes not just the implementation of this strategy, but also its ongoing monitoring and adaptation, ensuring the business remains unique, grows sustainably, and remains resilient in a changing market.

3.1 RESEARCH DESIGN
According to Malhotra (2010), a research design serves as a strategic blueprint for marketing research, detailing the methods and procedures to gather information and address the research topic. This particular research leans towards a conclusive approach, which aims to provide a clear understanding of an issue with strong data for decision-making. Unlike exploratory research that focuses on preliminary data, this research uses both qualitative and quantitative methods, like interviews and industry reports, to gather precise and detailed information. It delves into finer details to provide outcomes that are decision-oriented, such as strategies for the post-pandemic market and a Business Strategy Blueprint. While some elements, like focus groups, resemble exploratory research, the main goal is to obtain actionable and clear data, aligning with conclusive research principles. This approach is reflected in the adapted conceptual framework drawn from various journal references, providing a structured roadmap for analysis and strategy in the Home Fragrance Industry, as depicted in Figure 2.
Figure 2 outlines a strategic framework for Kiumarket’s competitive positioning within the home fragrance market in the aftermath of the pandemic. The process begins with Preliminary Analysis and Groundwork, where the focus is on understanding the business’s specific challenges during this new era (Step 1) and critically examining academic and industry-specific studies, particularly those pertaining to the Blue Ocean Strategy (Step 2). The subsequent phase, Strategic Exploration and Planning, involves a thorough market analysis using Porter’s Five Forces (Step 3) and the construction of a strategy canvas and business model canvas to display the competitive forces and the stance of key market players (Step 4). The Strategy Formulation & Validation phase seeks to discover
uncharted market opportunities and gain deep insights into customer behaviour through the Buyer Utility Map (Step 5). This phase also involves innovating the business model by applying the Four Actions Framework (Step 6). As the strategy moves into the Implementation and Review phase, it calls for a careful assessment and strategic placement of the product offering (Step 7), followed by the creation of a strategic business model canvas that melds the Blue Ocean Strategy into actionable plans (Step 8). The strategy is then rigorously tested and refined based on feedback (Step 9). The final steps ensure that the strategy is not only finalized and put into action (Step 10) but also that there is a structured approach to continuously track, assess, and refine the business model to maintain its effectiveness and promote sustained growth (Step 11).

3.2 DATA COLLECTION METHOD
The Table 1 below, An Overview of the Data Collection Techniques and Objectives for This Research, offers a detailed summary of the varied approach used to thoroughly examine Kiumarket's position within the Home Fragrance Industry. It specifies the focus of each research area, the origins of the data, the methods employed for data acquisition, and the goals driving the questions asked. This organized collection not only steers the research process but also ensures that each technique is integrated effectively with the overarching research inquiries, facilitating thorough analysis and meaningful findings.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Focus</th>
<th>Sources</th>
<th>Method</th>
<th>Key Insights</th>
<th>Process Description</th>
<th>Question Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Home Fragrance Industry Dynamics</strong></td>
<td>Kiumarket's Market Adaptation</td>
<td>Industry Reports, 6W Research, Grand View Research, Fortune Business Insights, Mordor Intelligence, Polaris Market Research, and Arizton.</td>
<td>Online Examination</td>
<td>Industry growth, Market segmentation, Porter’s Five Forces Analysis</td>
<td>Data is gathered from various industry reports and databases to gain insights into how Kiumarket has adapted to market changes post-pandemic.</td>
<td>To understand Kiumarket's strategic adaptations post-pandemic, evaluate market growth and segmentation, and conduct a Porter’s Five Forces analysis.</td>
</tr>
<tr>
<td><strong>Business Model Canvas</strong></td>
<td>Kiumarket's Operational Framework</td>
<td>Company Internal Data, Interviews</td>
<td>Company Data Examination, Interviews</td>
<td>Business model components, Revenue streams, Cost structures</td>
<td>Company internal data gathering and Interviews with Kiumarket's management and key employees to dissect and understand the company's business model, including its revenue streams and cost structures.</td>
<td>To analyze the components of Kiumarket's business model, understand revenue generation, and identify cost structures.</td>
</tr>
<tr>
<td>Strategy Canvas</td>
<td>Consumer Experience with Kiumarket</td>
<td>Survey</td>
<td>Survey</td>
<td>Consumer values, Kiumarket vs. competitors, Market trends</td>
<td>Surveys are designed to assess consumer experiences and perceptions regarding Kiumarket compared to its competitors, as well as general market trends</td>
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<tr>
<td>Buyer Utility Map</td>
<td>Kiumarket's Value &amp; Utility</td>
<td>Focus Group Discussion</td>
<td>Focus Group Discussion</td>
<td>Consumer experience stages, Utility feedback, Kiumarket's performance</td>
<td>Focus groups discussion are conducted to map out the consumer experience and gather feedback on the utility and performance of Kiumarket's offerings</td>
<td></td>
</tr>
<tr>
<td>Three Tiers of Noncustomers</td>
<td>Segmenting Non-Users</td>
<td>Surveys</td>
<td>Survey Design &amp; Distribution</td>
<td>Reasons for not choosing Kiumarket, Purchase behaviors</td>
<td>Surveys are distributed to segment non-users and understand their reasons for not choosing Kiumarket, which informs strategy formulation</td>
<td></td>
</tr>
<tr>
<td>Four Actions Framework &amp; ERRC Grid</td>
<td>Kiumarket's Product Optimization</td>
<td>Feedback forms, Sales data</td>
<td>Feedback &amp; Sales Trend Analysis</td>
<td>Consumer feedback, Sales figures</td>
<td>Feedback forms and sales data are analyzed to apply the Four Actions Framework and ERRC Grid, aiming to optimize Kiumarket's products</td>
<td></td>
</tr>
</tbody>
</table>

To gather consumer feedback, analyze sales trends, and optimize Kiumarket's products using the Four Actions Framework and ERRC Grid.
Corresponding Author: Ilya Almira Zahrani

Table 1 outlines a strategy for assessing Kiumarket's strategic position in the Home Fragrance Industry using Blue Ocean Strategy tools. It focuses on how Kiumarket adapts and innovates, creating a detailed picture of the company's competitive edge and market dynamics. The assessment begins with Market Adaptation, using industry reports and online research to understand market changes and competition. The Operational Framework analysis looks at Kiumarket's business structure and finances through internal data and interviews. The Strategy Canvas examines consumer experiences and market trends. The Buyer Utility Map gathers consumer feedback on Kiumarket's products, while the Three Tiers of Noncustomers section uses surveys to understand why some potential customers don't buy from Kiumarket. Product Optimization involves refining Kiumarket's offerings based on consumer feedback and sales data. Lastly, the Pricing Strategy examines how Kiumarket's pricing compares to competitors and aligns with customer expectations. This comprehensive approach helps in evaluating how well Kiumarket is positioned and adapting in the evolving market.

3.3 DATA ANALYSIS METHOD
This research adopts an integrated approach to data analysis, blending both qualitative and quantitative methods to suit different aspects of the study. For qualitative data, content analysis is used, especially for interpreting interviews and focus groups. This involves identifying key themes and patterns from the responses, offering insights into the perceptions and experiences of respondents. Quantitative analysis involves statistical techniques for survey data, particularly from consumer experience and non-customer surveys. This part of the analysis uses statistical tools to uncover trends and correlations, ensuring the precision of the survey results. In terms of market analysis, the research includes comparative benchmarking, particularly in the Strategy Canvas and market trend analysis. This helps in comparing Kiumarket's performance with industry standards and competitors, identifying competitive strengths and areas for improvement. The Business Model Canvas is utilized to dissect Kiumarket's business operations, examining aspects like value propositions and revenue streams for efficiency. Additionally, product optimization is assessed using the ERCC Grid Analysis, determining which elements of Kiumarket's offerings should be changed to meet market demands. Finally, price sensitivity analysis in the Price Corridor of The Mass helps in figuring out the best pricing strategy by understanding consumer reactions to price changes and benchmarking against competitors.

4.1 ANALYSIS
4.1.1 Examining Current Competitive Scenarios in The Home-Fragrance Industry
The global home fragrance market stands as a dynamic entity within the consumer goods sector, exhibiting resilience and adaptability amidst fluctuating economic landscapes. The captured trends are synthesized from various market research reports by authoritative sources such as Grand View Research, Fortune Business Insights, Mordor Intelligence, Polaris Market Research, and Arizton. Through the synthesis of insights from leading research organizations, a comprehensive analysis of the market’s progression from 2019 to projections leading into 2028 unravels. This analysis navigates through the peaks and market valuations, emphasizing the impact of consumer behaviour and global events like Covid-19 Pandemic on industry growth. Based on an estimated compound annual growth rate (CAGR) of 4.5%, the home-fragrance market in Indonesia is expected to steadily increase in value from approximately USD 23.73 million in 2021. This projection takes into account the recovery following the decline experienced in 2021 and anticipates a positive market expansion influenced by factors such as increased household numbers, consumer spending power, and urbanization trends that align with a luxury lifestyle preference.
The diagram in Figure 3 provides a Porter's Five Forces Analysis of Kiumarket in the home fragrance industry, indicating a high level of attractiveness due to several positive factors. Firstly, Kiumarket's product differentiation is notable, with its unique scents contributing to a strong brand identity and fostering customer loyalty. Secondly, the market for home fragrance products shows a moderate and consistent demand, hinting at a stable market ripe for growth. Thirdly, the importance of brand loyalty is highlighted, suggesting that customer retention through repeat purchases is likely once the brand resonates with consumers. Fourthly, the barriers to entry, such as brand recognition, are balanced by lower capital requirements, offering opportunities for new and innovative players to emerge. Lastly, the limited number of suppliers providing unique products presents Kiumarket with the potential to establish strong partnerships and negotiate favorable terms, enhancing its competitive edge in the market. Considering these factors, the industry is competitive but has growth potential for brands that can differentiate themselves and create strong connections with their customers. Moving to the next section examines Kiumarket's Business Model Canvas (BMC), detailing the company's strategy across several key areas.
Figure 4. Kiumarket Current Business Model Canvas (Kiumarket, 2023)

Figure 4 shows Kiumarket's Business Model Canvas, detailing its strategy in the home fragrance industry. Kiumarket partners with suppliers, e-commerce platforms, and local markets to enhance its reach and efficiency. Its main activities are making handcrafted candles and engaging in strong marketing, particularly through social media and community involvement. The company focuses on high-quality products and community support, creating a unique experience for customers. Its revenues come from candle sales, community events, and brand partnerships, while costs include production, marketing, and shipping. This model helps Kiumarket stay competitive in a market influenced by changing consumer preferences and economic factors. The industry offers both challenges and opportunities, requiring brands to offer unique products, value, and appeal to stand out, especially for new entrants.

4.1.2 Understanding and Analysing The Current Market Landscape

A survey was conducted to understand consumer experiences and perceptions of Kiumarket, focusing on customer satisfaction and comparing it with competitors. The survey, titled "Survey 1: Kiumarket Existing Customer Satisfaction and Pricing Strategy Survey," gathered feedback from 199 participants to assess consumer values, experiences, and market trends. After collecting the data, detailed analysis was done, including accuracy checks using statistical tools. The survey showed Kiumarket's customers are highly satisfied and loyal, particularly valuing the quality and innovation of its products. Most customers expressed they would likely make repeat purchases and are willing to pay more for Kiumarket's unique offerings. The survey also indicated that Kiumarket's value proposition is seen as better than its competitors. These insights are important for developing Kiumarket's Strategy Canvas, part of the Blue Ocean Strategy, and highlight Kiumarket’s strengths in customer satisfaction, quality, and innovation. The survey also identified Miniso as a key competitor due to its affordability and range of products. This competitive analysis is crucial for Kiumarket to understand its market position and for strategic planning. The Strategy Canvas will compare Kiumarket's products and services with Miniso's to provide insights into Kiumarket's competitive stance in the home fragrance market.
Table 2. Comparative Analysis of Kiumarket and Miniso on Key Competing Factors (Author Analysis, 2023)

<table>
<thead>
<tr>
<th>Key Competing Factors</th>
<th>Kiumarket’s Offering Level (Likert Scale 1-5)</th>
<th>Miniso’s Offering Level (Likert Scale 1-5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>4.5%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Product Quality</td>
<td>4.2%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Innovation</td>
<td>4.5%</td>
<td>4%</td>
</tr>
<tr>
<td>Price Sensitivity</td>
<td>3%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>4.5%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Perceived Value</td>
<td>4%</td>
<td>4%</td>
</tr>
</tbody>
</table>

In a strategic comparison (see Table 2), Kiumarket and Miniso are evaluated on various market aspects. Kiumarket scores well in customer satisfaction and innovation, showing its strength in engaging customers and offering unique products. Miniso, with slightly higher scores, excels in customer satisfaction and product quality, appealing to a broad audience with its diverse range and affordability. Kiumarket's lower score in price sensitivity indicates its customers prioritize quality over cost, while Miniso's higher score suggests it attracts more price-conscious consumers. Both brands perform well in brand loyalty and perceived value, indicating they are seen as providing good value for money. Overall, Miniso has a slight edge in the market, particularly in attracting cost-conscious customers, while Kiumarket stands out for its brand loyalty and innovative products. The analysis will next use a Strategy Canvas diagram to visually compare their strategic positioning, highlighting their competitive strengths and areas for potential growth in the market.

![Strategic Canvas in the Blue Ocean Framework for Kiumarket and Miniso](image)

The strategic canvas in Figure 5, illustrates the performance comparison between Kiumarket, indicated by the red line, and Miniso, represented by the blue line, in the Blue Ocean Strategy framework. The pattern observed indicates that Kiumarket (red) generally scores higher in Customer Satisfaction, Product Quality, and Perceived Value compared to Miniso (blue). Conversely, Miniso excels in Innovation and Brand Loyalty, with both companies showing similar levels of Price Sensitivity. This pattern suggests that Kiumarket's strategy might be centered on delivering quality and value, while Miniso appears to focus on driving innovation and cultivating brand strength.
4.1.3 Identifying New Market Spaces and Understanding Buyers
Kiumarket is using two Blue Ocean Strategy tools, the Buyer Utility Map and the analysis of Three Tiers of Noncustomers, to explore new market opportunities and better understand buyer needs. The focus is on evaluating Kiumarket’s value and finding areas for market growth. This involves Focus Group Discussions (FGD) to align Kiumarket's products with customer expectations and a Non-customer Survey Analysis to identify potential new markets. The findings from these discussions are organized into a table for clear analysis, categorizing insights based on various aspects of Kiumarket's offerings and customer experiences. This structured approach is key to identifying strategic opportunities for Kiumarket's growth.

Table 3. Key Insights from FGD for Kiumarket (Author Analysis, 2023)

<table>
<thead>
<tr>
<th>Category</th>
<th>Essential Insights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Variety</td>
<td>Concerns about the overwhelming variety of scents available each season, leading to confusion among customers</td>
</tr>
<tr>
<td>Quality Consistency</td>
<td>Emphasis on maintaining consistent quality across all products and branding elements to avoid downgrading</td>
</tr>
<tr>
<td>Product Line Expansion</td>
<td>Suggestions to expand the product line to include items for bathrooms, car fresheners, working desks, etc</td>
</tr>
<tr>
<td>Pricing and Promotions</td>
<td>The need for more competitive pricing and aggressive promotions to provide a strong rationale for choosing Kiumarket over other brands</td>
</tr>
<tr>
<td>Marketing Clarity</td>
<td>A call for clearer marketing communication to help customers understand the products better, focusing not just on visuals but also on information and benefits</td>
</tr>
<tr>
<td>Loyalty Programs</td>
<td>A suggestion to introduce loyalty or reward programs for regular purchases, especially since customers often buy multiple products and scents from a single collection</td>
</tr>
<tr>
<td>Eco-Friendly Options</td>
<td>A need for an increase in eco-friendly product options</td>
</tr>
<tr>
<td>Customer Reviews</td>
<td>A desire for more genuine product reviews from actual users</td>
</tr>
<tr>
<td>Return and Warranty</td>
<td>Requests for clearer and more user-friendly product return and warranty options</td>
</tr>
</tbody>
</table>

According to Table 3, the essential insights derived from customer feedback highlight several areas for potential improvement and growth for Kiumarket. The concerns about the extensive variety of scents each season indicate a need for a more curated selection to avoid overwhelming customers. Maintaining consistent quality across all products and branding is critical to prevent any perceived downgrade in the brand's value. There is a clear demand for expanding the product line to include a wider range of items such as bathroom products, car fresheners, and working desk accessories, suggesting an opportunity for diversification. There's also a growing demand for eco-friendly products, offering Kiumarket an opportunity to meet this market trend. Customers are looking for more authentic reviews to build trust in the brand. Improving the clarity and ease of product returns and warranties can also enhance customer satisfaction and loyalty. These areas are key for Kiumarket to enhance its market presence and engagement. This analysis, integrated into the Buyer Utility Map in the Blue Ocean Strategy, helps Kiumarket understand how its customer experiences align with strategic market opportunities, aiding in enhancing customer satisfaction and loyalty.
In Figure 6, the Six Stages of Buyer Experience Cycle analyze Kiumarket's customer engagement. Key factors like customer productivity, simplicity, and convenience are emphasized for efficient and easy customer experiences. Emotional engagement and brand perception are important in the early and late stages of the buying process. Risk reduction is also consistently addressed to build customer trust. The matrix finds different aspects are prioritized at various stages of the buying cycle, with environmental friendliness being important in specific stages. This approach tailors customer experiences to optimize effectiveness. Additionally, a survey titled "Survey 2: Kiumarket Non-Customer Brand Perception and Market Expansion Survey" shows a positive perception of Kiumarket's quality and uniqueness but also a lack of brand familiarity. Respondents indicated barriers to purchase, such as a lack of information and quality assurance. The survey also suggests Kiumarket could improve communication of product value and enhance brand reputation. Pricing preferences and incentives for trial, such as discounts and free samples, were also explored. Eco-friendly programs and customizable scents emerged as influential factors for potential customers. In general, according to the survey filled by the Non-customers, Kiumarket is seen as a high-quality, unique brand, but there is a noticeable gap in awareness and information that influences purchasing decisions.

![The Six Stages of Buyer Experience Cycle](image)

**Figure 6.** Blue Ocean Strategy: Buyer Utility Map of Kiumarket (Author Analysis, 2023)

![Blue Ocean Strategy: Three Tiers of Kiumarket Noncustomers](image)

**Figure 7.** Blue Ocean Strategy: Three Tiers of Kiumarket Noncustomers
The "Survey 2: Kiumarket Non-Customer Brand Perception and Market Expansion Survey" reveals different groups of potential customers in the home fragrance market that Kiumarket hasn't fully engaged yet (see Figure 7). The first group, "Fringe Fragrancers," occasionally buys home fragrances but lacks strong brand loyalty, mainly due to unfamiliarity with Kiumarket. They are close to the existing market, making them ideal targets for marketing to increase brand awareness and accessibility. The second group, "Value-Driven Evaluators," carefully considers cost versus benefit. They are aware of Kiumarket's quality but are put off by its premium pricing. This group looks for clear value in their purchases, presenting Kiumarket an opportunity to better communicate the value of its products. The third group, "Market Outsiders," hasn't considered home fragrances much, largely due to a lack of awareness or relevance to their needs. This group offers a significant opportunity for market expansion through innovative outreach and education about home fragrance benefits. Understanding these groups' unique preferences and barriers provides Kiumarket with a roadmap to expand its market reach by developing strategies that appeal to each group, turning untapped market potential into new growth opportunities.

4.1.4 Reconstructing Market Value and Strategy
In evaluating Kiumarket's market position, the Four Actions Framework and the ERRC Grid are used to reassess and improve its products. This approach involves analyzing consumer feedback, sales data, and cost reports. The ERRC Grid, which stands for Eliminate, Reduce, Raise, and Create, helps systematically review Kiumarket's offerings based on customer and sales insights. The goal is to enhance Kiumarket's products, making them more appealing and competitive in the market by applying these frameworks to identify key areas for product improvement. Using customer feedback, focus group discussions, and survey data, Four Actions Framework is built, visualized with the ERRC Grid in the Blue Ocean strategy. This method aims to align Kiumarket's products with customer expectations and explore new market demands. Combining red and blue ocean strategies, Kiumarket seeks to balance immediate stability with long-term growth. This approach focuses on meeting current customer needs while also innovating and creating new market opportunities, keeping the company adaptable and competitive.

Figure 8 ERRC Grid uses the Blue Ocean Strategy to help Kiumarket create a market space with less competition. The grid has four quadrants: Eliminate, Reduce, Raise, and Create, each focusing on different aspects of Kiumarket's business model. The "Eliminate" quadrant aims to simplify the product selection process and address issues in the recycling program, return policies, and marketing.
communication based on customer feedback. The "Reduce" quadrant focuses on streamlining operations, including reducing product lines for better quality and addressing packaging and fragrance issues. The "Raise" quadrant involves enhancing Kiumarket's marketing, online presence, and customer service, along with increasing eco-friendly options. In the "Create" quadrant, Kiumarket plans to innovate by providing detailed scent descriptions, reintroducing popular features, introducing new eco-friendly lines, and reevaluating pricing and promotions.

4.1.5 Evaluating and Positioning The Offer
Kiumarket is using the Blue Ocean Strategy's Price Corridor of the Mass to refine its pricing strategy. This involves analyzing customer feedback, cost, and competitor pricing. The Price Sensitivity Assessment, derived from a survey and competitor benchmarks, provides insights into consumer value perceptions. This helps Kiumarket set a pricing corridor that aligns with customer expectations and market dynamics, aiming to attract more customers while ensuring sustainability. The strategy goes beyond traditional competition, looking to transcend industry boundaries and explore new market possibilities. Kiumarket's target pricing considers not only direct competitors but also alternative products that fulfill similar customer needs, allowing for a broader market perspective. This approach is geared towards creating a unique market space and strengthening Kiumarket's position in the home fragrance market. Kiumarket's pricing strategy is being shaped by analyzing diverse industries and competitors.

Figure 9. Form, Function & Objective Mapping of Kiumarket Case (Author Analysis, 2023)

Figure 9 shows a visual map of Kiumarket's competitive landscape, comparing it with different competitors based on customer base size. This is indicated by the size of circles, with data from social media followings, Shopee ratings, and Google search trends. In the "Same Form" category, Kiumarket is compared with other home fragrance brands like Miniso and Ikea, which have larger customer bases. KKV and Bath & Body Works have a moderate presence, while Home of Humans caters to a niche market. The "Different Form, Same Function" category includes alternatives like plant decorations and interior decor, popular for enhancing home ambiance, similar to Kiumarket's products. In the "Different Form and Function, Same Objective" category, services like cafes, yoga studios, and home entertainment systems are included. These offer leisure and relaxation, akin to Kiumarket's fragrances, with home entertainment systems particularly popular. Kiumarket's challenge is to position itself effectively in a market with diverse options for enhancing home living. Understanding these alternatives helps Kiumarket tailor its offerings and marketing. Survey data analysis reveals customer preferences for Kiumarket's pricing. Most customers prefer a price range between Rp 50,000 and Rp
85,000, with interest in both more budget-friendly and premium options. The analysis indicates the importance of strategic pricing, with a critical price threshold around Rp 100,000, above which products may be deemed too expensive. This insight helps Kiumarket adjust its pricing strategy to cater to varying customer perceptions and financial capabilities. This in-depth analysis of customer pricing preferences and value perceptions is then systematically applied to the Price Corridor of the Mass table.

Table 4. Price Corridor of The Mass for Kiumarket (Author Analysis, 2023)

<table>
<thead>
<tr>
<th>Price Range</th>
<th>Customer Segment</th>
<th>Value Perception Factors</th>
<th>Price Sensitivity Thresholds</th>
<th>Strategic Position</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; Rp 50,000</td>
<td>Economical Segment</td>
<td>Highly sensitive to discounts</td>
<td>Below psychological limit of Rp 100,000</td>
<td>Lower-level Pricing</td>
<td></td>
</tr>
<tr>
<td>Rp 50,000 to Rp 85,000</td>
<td>Majority / Mass Market</td>
<td>Balanced affordability and value</td>
<td>Optimal price bracket</td>
<td>Mid-level Pricing</td>
<td></td>
</tr>
<tr>
<td>Rp 85,000 to Rp 150,000</td>
<td>Premium Segment</td>
<td>Less price sensitive, value added features</td>
<td>Willing to cross Rp 100,000 threshold</td>
<td>Upper-level Pricing</td>
<td></td>
</tr>
</tbody>
</table>

Table 4 shows Kiumarket's Price Corridor of the Mass, outlining a pricing strategy that caters to different customer segments based on their value perception and price sensitivity. For the economical segment, priced below Rp 50,000, customers are highly price-sensitive, preferring lower-priced options and viewing anything above Rp 100,000 as too expensive. This approach targets budget-conscious consumers who value affordability. The mid-level pricing bracket, from Rp 50,000 to Rp 85,000, targets the mass market segment, where customers look for a balance between affordability and quality. This range is optimal for attracting a broad customer base, aligning with the average consumer's value expectations. For the premium segment, prices range from Rp 85,000 to Rp 150,000, catering to customers who are less sensitive to price and value exclusive, premium features. This higher pricing bracket appeals to those willing to pay more for luxury and unique products. This stratified pricing strategy allows Kiumarket to effectively target different customer groups, from budget-conscious to premium shoppers.

4.2 BUSINESS SOLUTION
4.2.1 Blue Ocean Strategy
In order to secure a competitive edge in the post-pandemic home fragrance industry, Kiumarket has conducted a thorough analysis using the Blue Ocean Strategy framework. The primary goal of this initiative is to redefine Kiumarket's market position, making it stand out and ensuring its long-term growth in a changing market. The strategy involves reshaping the business model, enhancing the value proposition, and implementing innovative market strategies to expand the customer base, increase profitability, and secure a lasting presence. To achieve these objectives, Kiumarket has employed various Blue Ocean Strategy tools, including Strategic Canvas Analysis, Buyer Experience Cycle, Non-Customer Market Segmentation, ERRC Grid Application, and a refined Pricing Strategy. These tools work together to form a comprehensive strategy that addresses critical research questions, guiding Kiumarket toward innovation and expansion within the competitive home fragrance industry. The strategic actions and insights on analysis, provide a roadmap for Kiumarket. These actions are designed to help Kiumarket navigate the evolving landscape of the home fragrance industry. The key focus areas include customer satisfaction, product quality improvement, perceived value enhancement, differentiation from competitors, marketing and branding strategies, and appealing to various customer segments. In conclusion, Kiumarket's Blue Ocean Strategy is a comprehensive approach to redefine its position in the home fragrance industry. By concentrating on customer-centric innovation and sustainability, Kiumarket aims to differentiate itself, drive growth, and establish a leadership position in the market.
4.2.2 New Business Model

In the ever-changing home fragrance industry, Kiumarket is at a crucial stage where innovative thinking and strategic renewal are key for ongoing success and market dominance. The subsequent solution explores Kiumarket’s newly formulated Business Model Canvas (see Figure 48 on the next page), a strategic outline created from the insights and initiatives gathered through this research. This new framework embodies Kiumarket’s journey of transformation towards improved customer interaction, product innovation, and sustainable operations, setting the brand up for success in the post-pandemic market environment. By examining each element of the canvas, this research reveals how Kiumarket is re-envisioning its operational, marketing, and strategic foundations to establish a unique value proposition and secure a distinctive position in the competitive home fragrance market.

![Business Model Canvas](image.png)

**Figure 10. Kiumarket New-Business Model Canvas (Author Analysis, 2023)**

Kiumarket is strategically evolving its business model inspired by the Blue Ocean Strategy. Initiatives include collaborating with experts for innovation, enhancing eco-friendly practices, and expanding online presence. Key activities involve personalized product development, customer-centric marketing, and sustainability efforts. Kiumarket focuses on customer satisfaction and loyalty by offering unique, high-quality fragrances for three targeted customer segments. Resources include skilled R&D teams and sustainable materials. Future plans include an enhanced online presence, offline expansion, and direct customer engagement. Cost structure prioritizes R&D, marketing, and sustainability, with investments in technology. Revenue streams include product sales, custom scents, services, and partnerships. Kiumarket’s strategy responds to market changes.

4.3 IMPLEMENTATION MAP

To undertake significant strategic changes, it is essential for Kiumarket to create an implementation plan for the success of its new business model. This plan is crucial as it outlines the systematic steps the company will take to enhance its market presence and innovation. The upcoming discussion will delve into the significance of each element in the plan, highlighting how Kiumarket intends to strengthen its position in the competitive home fragrance market. The implementation plan outlined in Figure 11 presents a strategic timeline for Kiumarket’s activities in the first half of 2024. Each initiative is assigned to a specific team responsible for execution, with clearly defined objectives and methodologies. The timeline covers January to June, with initiatives commencing and concluding at different points within this timeframe.
According to Figure 11, during the first quarter, multiple initiatives commence concurrently, indicating a robust start to the year. This period concentrates on establishing foundational elements, such as forming partnerships, product development, and conducting market research, which serve as prerequisites for subsequent marketing campaigns and operational efficiencies. As the second quarter begins, there is a shift towards customer engagement and product customization, marking a transition from planning and development to active market interaction. Activities like enhancing the online customer experience and expanding sales channels commence during this period, highlighting a focus on bolstering market presence. The color-coded elements on the chart signify different types of activities, such as development (e.g., product line expansion), research (e.g., market analysis), marketing (e.g., targeted campaigns), operations (e.g., logistics optimization), and customer experience (e.g., engagement strategies). By mid-year, initiatives such as sustainability efforts and R&D investments are set to conclude, indicating that these are ongoing processes with predefined objectives within the six-month period. The staggered timelines of various initiatives underscore their interdependence, with early projects like market research likely informing subsequent ones like marketing campaigns. The collective aim of these endeavors is to drive sales and generate revenue through diversified products and services, with the revenue stream extending beyond June, suggesting an expectation for sustained income generation. In summary, this plan reflects Kiumarket's dynamic and ambitious approach to its operations in 2024, emphasizing continuous development, active market engagement, innovation, sustainability, and a commitment to customer satisfaction.

5.1 CONCLUSION
The post-pandemic landscape has brought about significant changes in the home fragrance industry, posing challenges and opportunities. Kiumarket, a prominent player in this sector, faces a critical juncture where strategic reorientation is imperative for
sustained growth and competitive positioning. This research delves into Kiumarket's strategic adaptation through the lens of
the Blue Ocean Strategy framework, addressing three pivotal questions: First, how can the proposed new business model
innovation, grounded in the Blue Ocean Strategy, facilitate Kiumarket's adaptation and secure a distinctive position in the post-pandemic home
fragrance industry? By utilizing tools like the Strategy Canvas and Buyer Utility Map, Kiumarket can identify unexplored market
categories, catering to underserved customer needs and differentiating itself from traditional competitors. This approach not only sets
Kiumarket apart but also ensures a sustainable competitive advantage through exceeding customer expectations and agility in
response to market dynamics.

Second, in what ways can the principles of innovative market creation and differentiation transform Kiumarket’s value proposition,
differentiating it from competitors and meeting evolving consumer demands? Implementing innovative market creation and
differentiation principles can significantly transform Kiumarket's value proposition. By targeting both existing customers and the
‘Three Tiers of Noncustomers,’ the brand can expand its reach and appeal. Leveraging the Four Actions Framework and ERRC Grid,
Kiumarket can streamline its offerings, bolster its online presence, and embrace eco-friendly innovations. This transformation not
only distinguishes Kiumarket from competitors but also resonates with evolving consumer demands, ensuring a distinctive and
compelling value proposition.

Lastly, how will the integration of innovative market strategies into Kiumarket's new business model impact its market penetration,
profitability, and long-term business viability? Integrating innovative market strategies into Kiumarket's new business model is
anticipated to have a positive impact on its market penetration, profitability, and long-term sustainability. The adoption of the Price
Corridor of The Mass approach allows for a pricing strategy that strikes a balance between affordability and value, appealing to a
broad consumer base. By consistently incorporating customer feedback and market research, Kiumarket remains attuned to changing
market trends and consumer preferences. The strategic emphasis on targeted marketing, forging strategic partnerships, and
investment in research and development underscores Kiumarket's commitment to sustained growth and presence in the competitive
home fragrance market, enhancing its long-term viability.

In summary, this study demonstrates that Kiumarket can effectively adapt to the evolving post-pandemic home fragrance industry
by embracing the principles of the Blue Ocean Strategy. This approach enables Kiumarket to stand out by addressing unmet
customer needs and introducing innovative products. By extending its reach to new customer segments and continuously enhancing
its offerings, Kiumarket can differentiate itself from competitors. Moreover, by maintaining a balanced pricing strategy and
continually refining its approach based on customer feedback, Kiumarket is well-positioned for growth and long-term success in the
fiercely competitive market. Overall, this research underscores the pivotal role of innovation and strategic transformation in
shaping Kiumarket's future within the home fragrance industry.

5.2 RECOMMENDATION
To enhance the impact of this research on Kiumarket's strategy in the post-pandemic home fragrance industry, we propose several
recommendations. Explore how emerging technologies like AI and IoT can enhance customer experiences and product distribution.
Draw insights from industries such as fashion or technology that have effectively applied Blue Ocean strategies. Track changing
consumer behaviors over time to anticipate evolving trends. Study successful sustainability initiatives for practical guidance in
product development and marketing. Assess the effectiveness of digital marketing strategies in the home fragrance industry to
optimize online presence. Uncover opportunities by investigating niche markets and unique fragrance preferences. Lastly, consider
collaborative business models, such as partnerships, for expanding market reach and product offerings. These recommendations aim
to guide future research and ensure Kiumarket's strategy remains pertinent in this ever-evolving industry.

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